

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 810 - HB 1016

February 21, 2013

SUMMARY OF BILL: Expands eligibility for receiving a HOPE scholarship to non-traditional students who meet the following criteria: the student is at least 25 years of age or older; the student attends a Tennessee Technology Center (TTC) and received a Wilder-Naifeh technical skills grant; and the student enrolls in an eligible two-year or four-year postsecondary institution after completing a diploma from a TTC consisting of at least 900 clock hours. Requires such students meet all other applicable eligibility and academic HOPE scholarship requirements. Authorizes qualifying students to receive the HOPE scholarship beginning in the fall semester of 2013.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$50,000/FY13-14/Lottery for Education Account

\$108,000/FY14-15/Lottery for Education Account

**Exceeds \$108,000/FY15-16 and Subsequent Fiscal Years/Lottery for
Education Account**

Assumptions:

- The Tennessee Student Assistance Corporation (TSAC) estimates three students having received TTC diplomas will qualify for the HOPE scholarship and attend four-year institutions in FY13-14 as a result of this bill. In addition, TSAC estimates 19 students having received TTC diplomas will qualify for the HOPE scholarship and attend two-year institutions.
- The HOPE scholarship award for students attending four-year institutions is \$4,000 per academic year; the award for students attending two-year institutions is \$2,000 per academic year.
- The increase in state expenditures from the Lottery for Education Account (LFEA) for FY13-14 is estimated to be \$50,000 $[(3 \times \$4,000) + (19 \times \$2,000)]$.
- For FY14-15, TSAC estimates a total of six students attending four-year institutions will retain or qualify for HOPE Scholarships as a result of this bill. In addition, TSAC estimates a total of 42 students attending two-year institutions will retain or qualify for HOPE scholarships.
- The increase in state expenditures from the LFEA for FY14-15 is estimated to be \$108,000 $[(6 \times \$4,000) + (42 \times \$2,000)]$.

- Due to exponential growth, the recurring increase in state expenditures from the LFEA is estimated to exceed \$108,000 for FY15-16 and subsequent fiscal years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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